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January 31, 2015

VIA ELECTRONIC FILING
Federal Election Commission
Attention: Laura Sinram
Campaign Finance Analyst
Reports Analysis Division
999 E Street, NW
Washington, DC 20463

Dear Ms. Sinram:

V2RD is in receipt of your Request for Additional Information (RAI) dated January 7, 2015, regarding the October Quarterly Report (7/1/2014 - 9/30/2014) (October Report). This statement provides information related to your inquiry concerning memo entries used for IEs (IEs) when no reportable debt under 11 CFR 104.11 exists. The committee will address the issues related to the RAI regarding the dates and amounts for certain Schedule E transactions and the Calendar Year-To-Date Per Election total(s) for Senate races under separate cover.

In an effort to file a Form 3X that included entries consistent with the estimated lump sum cost reported on the 24/48 Hour Notices filed during the reporting period, V2RD included memo entries as advisory entries and since no debt was due and owing (as explained below) as of the last date of the October Report, the committee did not include transactions on Schedule D.

The FEC Filing Software cannot accommodate the reporting for transactions for independent expenditures (IEs) that have on-going overhead costs and where such costs are not due and owing within the meaning of 11 CFR 104.11 as of the closing dates of the Form 3X.

The committee reported in a lump sum of the estimated total that would be paid to the vendors on a 24/48 Hour Notice for a services related to on-going management of IE communications through phone banks that would prospectively be delivered to the committee but that had not yet been delivered to the committee. As services were delivered, payment from the committee would come due and owing under the terms of the agreement between the vendor and the committee. As such, as of the closing date of the October Report, V2RD did not have an outstanding debt to the service vendors under the terms of any private or commercial agreement.

Therefore, while the committee was obligated to report the consulting overhead cost as of the first day the phone banks opened and communications with express advocacy began (consistent with 11 CFR 104.4(b)(2) and (c) and 109.10(c) and (d)), the committee was not required to report future obligations for payment to vendors on Schedule D pursuant to 11 CFS 104.11 because such future obligation is not a debt or obligation outstanding as of the last date of the report since the vendor had not earned the payment by providing V2RD with the service hours.

In an effort to file an October Report that included entries consistent with the estimated lump sum cost reported on the 24/48 Hour Notices filed during the reporting period, V2RD included memo entries as advisory entries. Since no debt was due and owing as of the last date of the October Report, the committee did not include transactions on Schedule D.

This is because unlike transactions for "incidental" IEs related to, for example, radio ads, which have discrete and specific dates for the communication, V2RD was reporting IEs that have extended and on-going costs that, outside of the IE rules for reporting, would not yet be reported to the Commission. The FFS does not accommodate such a fact pattern in the functionality of its data entry for the creation of a 24/48 Hour Notice or Form 3X based on a transaction(s) that is neither a disbursement for reporting on Schedule E nor a debt for reporting on Schedule D.
